

INEFFICIENT MANAGING AGENCY SYSTEM

AND THE AMENDMENT OF THE

INDIAN COMPANIES ACT, 1913.

By

PRINCIPAL SOHRAB R. DAVAR, J. P. (BOM.) BARRISTER-AT-LAW.

Finalist of Chartered Institute of Secretaries of
Companies (London) and the Society of Incorporated
Accountants (London). Author of Indian Company Law;
Mercantile Law; Law and Practice of Banking;
Business Organisation; Law of Meetings and Clubs, etc.
President of the Bombay Shareholders' Association.

V. M. Davar

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PREFACE

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The question of the amendment of the Indian Companies Act of 1913 has been before the public for a number of years. Public demand in this direction has grown louder year by year and it appears that the authorities are now seriously contemplating to introduce an Amending Act at an early date. Safeguards against the defective working of the Managing Agency System were not provided for by the Act of 1913 and hence this piece of legislation, though exhaustive from the standpoint of the position as it existed before its passage, was not considered satisfactory by the author in common with a large number of the investing public, with the result that the author has been continuously for nearly twenty years pressing for adequate amendments. The advent of the Bombay Shareholders' Association, thanks to the pioneer efforts of the seasoned financier and the First President of this Association, viz., Sir Ebrahim Rahimtulla, Kt., C. I. E., gave a great impetus to the movement for amendment. The author had the advantage of being able to lend his services to this good cause, first as a Vice-President of this Association and later as its President. As this question will soon come up for public discussion, the author, at the suggestion of many of his friends interested in the healthy growth of our joint stock companies, has collected some of his ideas in a simple and non-technical form in this publication, which he trusts will be of some service.

80, Esplanade Road,
Bombay, 20th June 1934. }

SOHRAB R. DAVAR.